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## **GOVERNOR BARBOUR SIGNS 'WIND POOL' BILL**

(Jackson, Mississippi) - Joined by lawmakers and other officials at the Capitol, Governor Haley Barbour today signed a bill designed to help promote the availability of insurance for Mississippi homeowners and businesses, whose premiums skyrocketed after Hurricane Katrina.

"The wrath of Hurricane Katrina didn't end when the wind and water subsided in August 2005. As a state, we will be dealing with Katrina's aftermath for years to come, and the availability of insurance - not to mention its affordability - is absolutely critical to helping homeowners and businesses get back on their feet," Governor Barbour said.

The bill deals with the "wind pool," an insurer of last resort for homes and businesses on the Coast that is funded through customer premiums and assessments from every insurance company in Mississippi. Today there are about 32,000 policies in the wind pool, up from 16,000 policies at the time of Hurricane Katrina. One of the main purposes of the bill - known as The Mississippi Growth and Redevelopment Act of 2007 - is to mitigate the increase of insurance premium costs across the entire state.

The bill, unanimously approved by both houses of the Legislature, also creates the Mississippi Windstorm Underwriting Association Reinsurance Assistance Fund. Monies in the special fund may be used by the Department of Insurance, with approval from the Legislature, to defray the cost for reinsurance, lowering the risk for insurance companies writing policies in Mississippi.

This legislation provides \$80 million over the next four years from the insurance premium tax to buy reinsurance, which will result in lower premiums for wind pool policy holders. The bill encourages companies to write plans in the wind pool by providing an annual credit against state insurance premium taxes for domestic and foreign insurance companies for new wind and hail policies written in the coastal area of the state.

The total insured value of the wind pool is now more than \$6 billion, and before Hurricane Katrina it was \$1.8 billion.

“This new infusion of money into the wind pool, coupled with the many other steps that are being taken, offers renewed confidence that we will rebuild bigger and better than ever,” Governor Barbour said. “As I sign this measure into law as an immediate necessity, we must also remember that the ultimate goal is to re-create the private insurance market so that the wind pool isn’t even necessary. I see this as a step toward that goal.”

Mississippi Insurance Commissioner George Dale, who helped develop the plan and attended the bill signing, said the new law will be a significant one.

“The Mississippi Legislature has passed what, aside from the Toyota plant incentives, could be the most important economic development bill that will be passed this session, House Bill 1500 or the Wind Pool bill,” Commissioner Dale said. “This bill is not just about the Mississippi Gulf Coast but will benefit everyone in Mississippi, homeowners and businesses alike.

“This bill is an example of what we can do by working together. We want to congratulate Senator Dean Kirby and Representative Mark Formby, their respective Insurance Committees, Wind Pool representatives, and the Gulf Coast Business Council, he said.

“The bill will go a long way in stabilizing the Mississippi insurance market and demonstrates that Mississippi is serious about establishing and maintaining a fair and stable market,” Commissioner Dale said.

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